Amendment Offered by Mr. Lucas of Oklahoma (for himself, Mrs. Maloney, Mr. Gillmor, Mr. Green of Wisconsin, Mr. Bachus, Mr. Davis of Alabama, Mrs. McCarthy of New York, Mr. King of New York, and Mrs. Kelly)

To the Amendment in the Nature of a Substitute Offered by Mr. Oxley

Page 102, after line 21, add the following new section (and conform the table of contents accordingly):

1 SEC. 619. COORDINATION OF STATE EXAMINATION AU-

2 THORITY.

3 Section 10(h) of the Federal Deposit Insurance Act

4 (12 U.S.C. 1820(h)) is amended to read as follows:

5 "(h) COORDINATION OF EXAMINATION AUTHOR-

6 ITY.—

7 "(1) IN GENERAL.—The appropriate State

8 bank supervisor of the home State of an insured

9 State bank has authority to examine and supervise

the bank. The State bank supervisor of the home

State of an insured State bank shall exercise its au-

thority to supervise and examine the branches of the

bank in a host State in accordance with the terms

of any applicable cooperative agreement between the



1	home State bank supervisor and the State bank su-
2	pervisor of the relevant host State. Except as ex-
3	pressly provided in a cooperative agreement between
4	the State bank supervisors of the home State and
5	host State(s) of an insured State bank, only the
6	State bank supervisor of the home State of an in-
7	sured State bank may levy or charge State super-
8	visory fees on the bank.
9	"(2) Host state examination.—With respect
10	to a branch operated in a host State by an out-of-
11	State insured State bank that resulted from an
12	interstate merger transaction approved under section
13	44 or that was established in such State pursuant
14	to section 5155(g) of the Revised Statutes, the third
15	undesignated paragraph of section 9 of the Federal
16	Reserve Act or section 18(d)(4) of this Act, the ap-
17	propriate State bank supervisor of such host State
18	may—
19	"(A) with written notice to the State bank
20	supervisor of the bank's home State and subject
21	to the terms of any applicable cooperative
22	agreement with the State bank supervisor of
23	such home State, examine such branch for the
24	purpose of determining compliance with host

State laws that are applicable pursuant to sec-



1	tion 24(j) of this Act, including those that gov-
2	ern community reinvestment, fair lending, and
3	consumer protection; and
4	"(B) if expressly permitted under and sub-
5	ject to the terms of a cooperative agreement
6	with the State bank supervisor of the bank's
7	home State or if such out-of-State insured
8	State bank has been determined to be in a trou-
9	bled condition by either the State bank super-
10	visor of the bank's home State or the bank's
11	appropriate Federal banking agency, participate
12	in the examination of the bank by the State
13	bank supervisor of the bank's home State to as-
14	certain that the activities of the branch in such
15	host State are not conducted in an unsafe or
16	unsound manner. The State bank supervisor of
17	the home State of an insured State bank shall
18	notify the State bank supervisor of each host
19	State of the bank if there has been a final de-
20	termination that the bank is in a troubled con-
21	dition. The State bank supervisor of the bank's
22	home State shall provide such notice as soon as
23	reasonably possible but in all cases within 15
24	business days after the State bank supervisor

has made such final determination or has re-



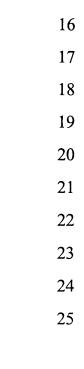
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ceived written notification of such final deter-

2	mination.
3	"(3) Host state enforcement.—If the State
4	bank supervisor of a host State determines that a
5	branch of an out-of-State State insured State bank
6	is violating any law of the host State that is applica-
7	ble to such branch pursuant to section 24(j) of this
8	Act, including a law that governs community rein-
9	vestment, fair lending, or consumer protection, the
10	State bank supervisor of the host State or, to the ex-
11	tent authorized by the law of the host State, a host
12	State law enforcement officer may, with written no-
13	tice to the State bank supervisor of the bank's home
14	State and subject to the terms of any applicable co-
15	operative agreement with the State bank supervisor
16	of the bank's home State, undertake such enforce-
17	ment actions and proceedings as would be permitted
18	under the law of the host State as if the branch
19	were a bank chartered by that host State.
20	"(4) Cooperative agreement.—The State
21	bank supervisors from 2 or more States may enter
22	into cooperative agreements to facilitate State regu-
23	latory supervision of State banks, including coopera-
24	tive agreements relating to the coordination of ex-

aminations and joint participation in examinations.





- "(5) FEDERAL REGULATORY AUTHORITY.—No provision of this subsection shall be construed as limiting in any way the authority of any Federal banking agency.
- "(6) STATE TAXATION AUTHORITY NOT AF-FECTED.—No provision of this subsection (h) shall be construed as affecting the authority of any State or political subdivision of any State to adopt, apply,

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1	or administer any tax or method of taxation to any
2	bank, bank holding company, or foreign bank, or
3	any affiliate of any bank, bank holding company, or
4	foreign bank, to the extent such tax or tax method
5	is otherwise permissible by or under the Constitution
6	of the United States or other Federal law.
7	"(7) Definitions.—For purpose of this sec-
8	tion, the following definition shall apply:
9	"(A) The terms "host State", "home
10	State", and "out-of-State bank" have the same
11	meanings as in section 44(g).
12	"(B) The term "State supervisory fees"
13	means assessments, examination fees, branch
14	fees, license fees, and all other fees that are lev-
15	ied or charged by a State bank supervisor di-
16	rectly upon an insured State bank or upon
17	branches of an insured State bank.
18	"(C) Solely for purposes of subparagraph
19	(2)(B) of this subsection (h), an insured State
20	bank has been determined to be in "troubled
21	condition" if the bank—
22	"(i) has a composite rating, as deter-
23	mined in its most recent report of exam-

ination, of 4 or 5 under the Uniform Fi-



1	nancial Institutions Ratings System
2	(UFIRS); or
3	"(ii) is subject to a proceeding initi-
4	ated by the Corporation for termination or
5	suspension of deposit insurance; or
6	"(iii) is subject to a proceeding initi-
7	ated by the State bank supervisor of the
8	bank's home State to vacate, revoke, or
9	terminate the charter of the bank, or to
10	liquidate the bank, or to appoint a receiver
11	for the bank.
12	"(D) For the purposes of paragraph
13	(2)(B), the term 'final determination' means
14	the transmittal of a Report of Examination to
15	the bank or transmittal of official notice of pro-
16	ceedings to the bank."

